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# TRUSTEES as SERVANTS

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## TRUSTEES AS SERVANTS

This essay, a revision of the 1974 edition, gives a much larger than usual meaning to the role and function of trustees. It is offered as a general view of all governing boards of our major voluntary (nongovernmental) institutions, whether they are for profit or not for profit. The aim is to help the particular trustee of the particular institution to clarify, perhaps to reformulate, his or her own definition of both the obligation and the opportunity in trusteeship.

This is the third in a series of essays on the role of *servant*. The first, *The Servant as Leader*, argued the thesis that it is the incremental actions of individuals who have the ability to serve and lead that give our society its character and our institutions their ability to perform. The second, *The Institution as Servant*, called for institutions to produce the visible means for legitimizing power *and* to deliver the full measure of service of which they are capable. Both of these essays considered trustees of voluntary institutions as holding prime roles of leadership and influence on which the quality of the total society rests.

The meaning of trusteeship and the function of trustees is the concern of this essay. Everything that is discussed here has its roots somewhere in my experience. But I do not know of any trustee board that can be pointed to as a model, in practice, of all of it. This essay is not written for those who require the assurance of models. Rather, it is intended to serve those trustees who are dissatisfied with their present roles, and who have a strong urge to do the best they can, so that they will venture to make a wholly new role for themselves with only the vision of the possibility of greatness to guide them. As I see it, rising to this opportunity is one of the most powerful means available for individuals to regenerate trust in our present low-trust society.

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GEORGE WASHINGTON WAS NOTED for signing his letters "Your most humble and obedient servant." This essay is an argument in support of trustees choosing to be servants.

The premise upon which this argument rests is that the best of our voluntary (nongovernmental) institutions, in the service of all of us who depend on them, is too far below what is reasonable and possible with their available resources, human and material. This performance can be raised much closer to the optimal for each institution by governing boards of trustees (including directors of business corporations as trustees) who are determined and who organize themselves to do it.

Trustees and administrators may not readily accept such a categorical statement. However, I sense an uneasiness among many of them, and there is much striving for ways to do better. The trouble is that these efforts are frustrated by outmoded concepts and tangled semantics that are deeply imbedded in the way institutions traditionally behave.

There is, to be sure, an abundance of literature on contemporary institutions, but most of it is concerned with "fine tuning" within the limits of conventional language and wisdom. The purpose of this essay is not to address questions of fine tuning but, rather, to question and examine the conventional wisdom and language of contemporary institutional life and to suggest alternative approaches for understanding and dealing with inadequate performance — approaches that will originate with trustees.

## Conceptual Flaw

A basic conceptual flaw in the conventional wisdom of institutional structures is the inadequacy — or even absence — of provision for trustees to be a functioning part of the institution's leadership. The role of administrators, as it is commonly established, does not provide for adequate trustee functions. Trustees, for their part, have not seen fit to question the assumptions which administrators make and to assert the affirmative and, in the long run, determining role for themselves which is required both by their legal obligations and by the socio-ethical burden of public trust which they carry.

Administrators have been with us for several millennia, ever since the first person undertook to mobilize and direct the energies of other people toward a defined goal. Consequently, administration was seen as a wholly sufficient process long before there were trustees. The original administrator may have been the arm of despotic power, with crude sanctions at his disposal. Later he was circumscribed somewhat by law and custom, whether he was an agent of government or of a private employer. Yet much of the notion (established long ago) of absolute-ness and self-sufficiency of administrators survives today in the accepted concepts of organization. The pyramidal structure with a single chief at the top (whose adequacy is challenged in another essay — *The Institution as Servant*) is still the conventional model. Today in some large institutions we see encouraging evidence that the assumptions which support the conventional model are no longer accepted as immutable. Yet, in the face of historical precedent and practice, it is small wonder that administrators have not accepted trustees as an important influence, and that trustees have not seen fit to establish their appropriate roles.

The trustee, who first emerged as the individual entrusted with other people's affairs, later became a member of a governing board, usually of a corporation. A society dominated by large corporations with governing boards, both for profit and not for profit, is a historical development that belongs almost entirely to this century. Too much of the public concern for the quality of society is still devoted to caring directly for individuals and not enough attention goes to caring for institutions and the way they are structured. Structural flaws can cause harm to individuals; conversely, conceptually sound and ably adminis-

tered institutions can build people and enrich society. All too often we seem to disregard this important influence that institutions can have on people.

Unfortunately, government is expected to provide most of the attention that would enlarge the good and reduce the harm in institutional structures. But government has accepted competition, in the for-profit realm, as the prime regulator and builder when, in fact, it may also be the great destroyer of people and the creator of abuses. Churches, hospitals, universities — even foundations — are also competitive. Trustees, for the most part, do little more than give legal cover to the process. Except in the face of a threatened collapse of the institution, trustees rarely act in the affirmative way that their legal responsibility and the expectations of those served by the institution (and the public interest) suggest that they should. Individual trustees often serve their institutions in useful ways, but for the most part today it is a service that might be rendered as well or better by outside consultants or by volunteers who are not trustees.

## Definitions

Much of the tangled semantics that shroud the role of trustees may be cleared up by examining for a moment the meaning of the very word *manage*, which has been appropriated by administrators as the classic label for what they do. I suggest that the etymology of the word comes closer to describing what trustees should do (from the Latin *manus*, hand, meaning the hand on the reins that guides the horse). In most instances, the laws of incorporation clearly establish the claim of trustees to this function by specifying that the institution "shall be managed" by a board of trustees or directors, usually not fewer than three. The typical corporation law does not provide for administrators at all, only for trustees or directors. Throughout this essay I take the cue from this definition — that the role of trustees is to stand outside the active program of the institution and to *manage*. What they delegate to the inside operating executives is *administration*. With this combination of concept and language (and the two are inextricably related), the title "chief executive officer," and the single-chief concept it conveys, should disappear as an anachronism.

Based on this thinking, then, let us elaborate on the definitions of trusteeship, management, administration, and leadership.

1. *Trusteeship* is the holding of a charter of public trust for an institution. As the term is understood here, it represents a function carried out through membership on the governing board of an incorporated institution and is defined by law. Trustees (or directors) are legally and ultimately responsible for the institution and everything that goes on in it. Trustees are not officers of administration — not in the institution where they are trustees. Trustees are members and representatives of the general public whose trust they hold. They may be professionals and administrators in another — even in a similar — institution, but as trustees they make *trustee judgments*, not administrative or professional judgments.

2. *Management* — The by-laws of the institution usually specify the actions which trustees themselves must take and those which they may delegate to administrative officers. Above and beyond these specific actions, the major trustee functions in the management of the institution are:

a. *To set the goals, to define the obligations and the general premises — or the concept — of the institution, and to approve plans for reaching goals.* All of the parties at interest should be consulted, and administrative and professional staffs should be listened to most carefully. However, the established goals are the trustees' own goals. Ideas may come from any source, but goals are trustee formulated, not just trustee approved or trustee affirmed.

b. *To appoint the top administrative officers, to design the top administrative structure, to design and assign the duties of individuals in that group, and to act so as to motivate administrators and professionals.* Trustees do not rubber-stamp administrative recommendations on these matters.

c. *To assess, at appropriate times, the performance of the institution, its major parts, and the work of its top executives in the pursuit of the established goals.*

d. *To take appropriate action based on what is found in the above assessment.*

To carry out these functions, the trustees of any institution need leadership by an able and dedicated chairman who will invest the time and acquire the skills needed to assure a fully functioning trustee group. This may be a full-time job in a large institution, and some of the other trustees may invest substantial time — much more than attendance at an occasional meeting. Further, some trustee boards will need support from a small staff of their own, including full-time or part-time consultants.

The above constitutes a bare model of the *management* of the institution.

3. *Administration* is a function designed by trustees but carried out by full-time officers (appointed by trustees) who are not trustees. Administration includes all of the overseeing and directing (decision-making) functions not specifically reserved for trustees. (Customarily in business the word *manage* is used in place of *administer*. However, in this essay I will reserve *manage* for the trustee role, and internal direction of all institutions will be called *administration*.)

The usual administrative functions include the following:

- a. *Planning* — both strategic and tactical — to accomplish goals;
- b. *Organizing* the total effort (except the executive office, which is designed by the trustees — with the advice, of course, of administrators).
- c. *Controlling* — assembling and analyzing data and directing operations; and
- d. *Supporting* the above by functional staffs in research and development, law, public relations, personnel, finance, marketing, production, and so on.

Administrators are responsible for all actions necessary to reach the goals set by trustees.

4. *Leadership* — going out ahead to show the way — is available to everyone in the institution who has the competence, values, and temperament for it, from the chairman to the least skilled person. Leadership is a more critical requirement for the chairman and for the top executive officers. However, if their leadership should not be adequate, and if the institution is faltering for want of leadership, then it is

important that whoever is able to assert leadership should do so from wherever he or she is. Trustees and administrators are empowered to lead, but if they fail to lead, or if they falter, then the system should be open enough so that they can be challenged (and guided) by anyone who can help to show a better way. The continued threat of challenge to their leadership will strengthen both trustees and administrators.

To recapitulate the model envisioned here, then, *trustees* as a body are legally in charge, and they *manage* the institution. *Administrators* *operate* the institution under goals and general policies set by trustees and from an executive office designed by trustees. Anyone can lead; and there is no single chief executive officer. There is a problem of getting used to the idea of no single chief; but the passage of time will allay that, especially after the now younger generation takes over.

Trustees lead the administrators. Administrators lead the trustees and the staff. Also, sometimes, leadership comes from unexpected places and from people who theretofore were not suspected of having it.

*Trustees* lead but they do not administer.

*Administrators* both administer and lead.

*Staffs* both administer (because everyone makes some decisions, however small, about what should be done) and sometimes lead (because the structure is open enough for anyone to lead who can effectively assert leadership). Their primary function, however, is to perform the tasks of the institution.

Trustees are accountable to all parties at interest for the best possible performance of the institution in the service of the needs of all constituencies — including society at large. They are the holders of the charter of public trust *for* the institution.

## THE TRUSTEE ROLE — WHY IT IS NOT ADEQUATE NOW AND WHAT IT NEEDS TO BE

### Trustee Initiative — A Historical Precedent

One of the interesting fragments of business history of the period from 1895 to 1915 is how the certified audit of financial statements began. "Chartered" accountants emerged in England in the mid-nineteenth century and first came to this country to check on English investments here. The first law in the U.S. establishing certified accountancy was enacted in New York State in 1896. Promptly thereafter, as new major companies were launched out of reorganizations and mergers, especially those under the aegis of Mr. J. P. Morgan, the elder, they were the first companies to issue financial statements with a certified public accountant's attest (General Electric Company — 1898, United States Steel Corporation — 1903, American Telephone and Telegraph Company — 1913). This procedure is so much a part of all financial reporting today that we have forgotten that it was greeted at its inception with as much apprehension and resistance as is the current suggestion that trustees have their own staffs to supply their own needs for information and advice. I do not know that Mr. Morgan ordered the C.P.A. audit in his new companies. One can be certain, though, that it was not done without his approval. The C.P.A. audit was but one of the evidences of a new standard of quality, an effort to close the gap that separated mediocrity from excellence, that marked the emergence of these new companies at that time.

In taking these initiatives, Mr. Morgan may have been the first trustee in the modern sense. He met four tests that are valid today: (1) he had considerable power over the institution, (2) he was not part of the administration — he had some detachment, (3) he used some of his power to influence moves toward excellence, and (4) he had the good sense to know that neither the power of money nor ideas would change things without exceptional people to lead these new institutions. And he was astute in knowing and choosing great institution builders and he gave them solid support. In my judgment, these three companies still

bear the mark of that early influence, and they stand in sharp contrast to the get-rich-quick conglomerates of our times that have been put together mostly on the initiative of administrators. The later companies seem not to have the quality of trustee oversight that was in evidence seventy-five years ago.

Administrators sometimes set high standards of their own and achieve an unusual result with part or all of an institution. But this often is short-lived because administrators, by the nature of their predominantly operating responsibilities, cannot have the perspective on the institution that trustees can have. In our times, among discriminating people, trustees stand as the public symbol of trust (or lack of it, depending on how they perform) and are completely responsible in the eyes of the law. It is possible that a new ethical imperative concerning institutional performance might find its mark with greater force if addressed to trustees than if it were addressed to administrators, or if, as is usually the case, it were simply addressed to the institution.

### **Limitations of the Conventional Trustee Role**

The principal limitation of the conventional trustee role, as it is practiced today, is the common assumption by trustees that internal officers and staffs, left largely on their own and structured as they usually are, will see to it that the institution performs as it should, that is, close to what is reasonable and possible with its resources. The arguments against this assumption are presented in *The Institution as Servant under Flaws in the Concept of the Single Chief Executive*, a concept that seems likely to continue in force as long as trustees remain in their conventional nominal roles.

A second limitation grows out of an aspect of human nature. Few of us, regardless of how able, have the ability to perform consistently at a high level of excellence, to set the goals for our own performance, and to judge our own performance objectively. It is not reasonable to expect an internal operating team to do all of these things well, simultaneously.

A third limitation is that nominal trustees customarily accept, somewhat uncritically, data supplied by internal officers and take no steps to equip themselves to be critical. They restrict themselves to af-

firming goals that are set by administrators and staffs, and, with the exception of the certified audit, trustees largely confine themselves to reviewing performance through administrators' reports on their own work, with little independent data available to them except what they sense intuitively or gather from the "grapevine." When there are adverse conditions, sometimes trustees are the last to know — and they should be among the first. Consequently they may rest comfortably with the illusion that the administration of the institution is functioning much better than may actually be the case. Since there is no dependable information source responsible directly to them, most trustee bodies have no adequate way of examining performance. Furthermore, if trustees should decide to set goals, rather than simply to affirm or reject those brought to them by internal officers, they usually do not have the staff help they would require to perform that service.

Finally, with trustees in their conventional nominal role, internal constituencies have too much to say about who their leaders will be. When new ones are to be chosen, they want leaders with whom they will be comfortable — and those can be mediocre. They may need leaders who will disturb them, stretch them, goad them if necessary; but their influence is not likely to support the choice of that kind of person. Even a great administrative builder of an institution who retires with enough power and prestige to choose his successor too often does not select a man or woman who is as strong. In fact, an adequate successor may not have been groomed at all. Only trustees can have the detachment and the interest necessary for the grooming and the choosing of strong executive leadership. However, in their conventional role they rarely try, and they would not carry much influence if they did try, because they do not know enough.

These are substantial limitations; they are deeply entrenched and are not likely to be set aside until at least the following conditions are met: (1) the inadequacy of the usual trustee is established with sufficient force that trustees as individual persons with their own sense of obligation must heed it; (2) there is a much fuller understanding by trustees of the issues of power and ambiguity in institutional operations; and (3) a new trustee role is clearly delineated, with the probable result that a person with another occupation may not be able to handle more than one or two trusteeships.

The first of these conditions is dealt with in the ensuing section of this chapter. Numbers two and three are the subjects of later chapters.

### Trustees Commonly Do Not Function in a Way that Builds Trust

Nominal trustees, as they now commonly function, serve two major purposes: they satisfy the legal requirement, and they provide the cover of legitimacy. If the law did not require them we would probably invent them for the second purpose, which is probably most of the justification that administrators and staffs find for them now. Otherwise, why would governing boards have their token black, their token woman, their token public member?

To be sure, governing boards take those formal actions that their by-laws require; in an emergency they may step in and give direction; and they serve as a useful checking source for internal officers. Some trustees with special talents (such as finance, law, or organization) may give gratis counsel, especially to nonprofit institutions. These services, however, compromise the objectivity that trustees need. All institutions should pay for the consulting services they require, or, if they cannot afford it, they should get it from volunteers who are not trustees.

If one accepts the position that, as trustees now commonly function, they satisfy legal requirements and give the cover of legitimacy but little more, is not this arrangement *neglect* by trustees, administrators, and staffs in which all accept a more limited sense of obligation? Who is being deceived? At whose expense is this carried on? One is inclined to answer, "*All* of those who are served by, or depend on, the institution," which, if it is a major one, can be a large number of people. They could be better served. Perhaps, though, the greater cost is the subtle (and in some cases not so subtle) compromise in the integrity of trustees, administrators, and staffs.

These are harsh words: neglect, compromised integrity. Yet if one speaks of these matters in less pejorative terms, one gets an answer like, "This is a respectable, comfortable, time-honored arrangement. Please do not rock the boat." The matter would rest there were it not for a growing disquiet about the arrangement — a small but nonetheless significant public recognition that trustees and directors of major institutions are largely honorary and ineffective. In other words, they are not

seen as trustworthy. The mere presence of trustees, in the absence of the performance which their place and title implies, does not generate trust — enough trust to give our society the stability it needs. In fact, once trustees are clearly and publicly identified as being largely fictitious, their presence may breed more distrust than if there were no trustees at all. And they fuel the cry for more solutions by government.

These assertions may be seen in better perspective within the context of the ensuing discussion of power and ambiguity in institutional life.

## THE ISSUES OF POWER AND AMBIGUITY IN INSTITUTIONAL LIFE

### Power and Authority — the Central Issue of Trust

Trustees, administrators, staffs, and various outside constituencies all have power. Any one of them may persuade — by articulation or example or both. Having knowledge gives them power. Being persuasive gives them power. Setting a conspicuous example gives them power. They may also overtly compel, if they have authorized sanctions at their disposal; or they may covertly manipulate. Each of them also has power because he or she has unauthorized sanctions available in the form of options to give or to withhold effort, support, or money in ways that give her or him some coercive power over the others. The power structure of any large institution is a complex network of forces, both seen and unseen. The understanding of its intricacies and close oversight to prevent abuses is a prime trustee obligation.

Trustees have a kind of power that administrators and staffs do not have — they have the legal power to manage everything in the institution; they have all the legal power there is. They may delegate some of it, but they can also take it back. *They cannot give any of it away, irretrievably, and still be trustees.*

Power and its use is one of the central concerns of trustees. The

essential definition of the trustee role is that trustees, as a body, hold all of the ultimate (legal) authority. However they do not use power operationally, that is, they do not administer. They use their legal power to secure information and to monitor and to control the operational use of power. This is the central issue of trusteeship: trustees hold ultimate power but they do not use it operationally. Yet they are responsible for its use.

"Power" and "authority" have many meanings. In this discussion *power* will mean both *persuasion*, where the response is truly voluntary, and *coercion*, either overt compulsion or covert manipulation. *Authority* will be taken to mean the sanctions which legitimize the use of power. The history of usage of the words "power" and "authority," from the earliest records in biblical times, suggests that the many meanings they represent have long been a preoccupation of thoughtful people. It is an intense preoccupation today.

Trustees are known to have the authority to control the use of power within the institution. However, they are also known to exercise that authority only in the event of gross and flagrant abuse of power. Up to recently, there has been little questioning of the resulting nominal or honorary status of trustees and the mediocre institutional performance that results from it. There has not been much concern that the power within the institution be used for socially constructive ends — both within the institution and in its impact on society at large.

Lord Acton's maxim, which I accept, holds that "Power tends to corrupt and absolute power corrupts absolutely." However, trustees of our major institutions seem not to take this very seriously, or else they would not delegate the use of power as freely and with as little monitoring of its use as is now common. Trustees have the obligation to oversee the use of power in order to check its corrupting influence on those to whom it is entrusted, and to assure that those affected by its use are positively helped and are not harmed. This is a large order. Few trustee bodies are prepared to act on it. The following way of thinking is suggested to guide trustees as they grapple with the obligation.

*The role of trustees is to hold what approximates absolute power over the institution, using it operationally only in rare emergencies — ideally never. Trustees delegate the operational use of power to administrators and staffs, but with accountability for its use that is at*

*least as strict as now obtains with the use of property and money. Furthermore, trustees will insist that the outcome be that people in, and affected by, the institution will grow healthier, wiser, freer, more autonomous, and more likely to become servants of society. The only real justification for institutions, beyond a certain efficiency (which, of course, does serve), is that people in them grow to greater stature than if they stood alone. It follows then that people working in institutions will be more productive than they would be as unrelated individuals. The whole is greater than the sum of its parts.*

In essence, this view of the use of power holds that no one, *absolutely no one*, is to be entrusted with the operational use of power without the close oversight of fully functioning trustees.

### **Ambiguity in the Institution — a Challenge to Trustee Understanding**

The trustees' concern for the use of power is complicated by the condition that life within the institution is not wholly rational (no more than anywhere else). If life within a large institution were wholly rational, a computer could probably be designed to administer it better than people. However, it is not wholly rational (fortunately, for us humans who need the ambiguity to test our humanity and our adaptability), and it presents three kinds of challenges which can bring virtual paralysis to the administration if there is none of the effective intervention which trustees are best positioned to make.

First, there is *the operational necessity to be both dogmatic and open to change*. No individual, certainly no institution, can operate for a day without a good deal of dogma. There is too much to decide, too great a variety of situations to be faced, for anyone to consider each situation as if nothing like it had ever appeared before. When people operate under pressure, as is common these days, they can deal with what they confront only by acting within some consistent pattern. One would hope that they will see enough of the nuances of each situation to make suitable adaptations.

Most institutions that survive over a period of time do so because they have a survival pattern, a dogma that gives a general direction of rightness. Those who administer and staff the institution become highly competent in operating within that pattern. Yet unless they are

periodically challenged on the adequacy of that pattern, eventually they lose survival ability. Long before that happens, they probably cease to function at their best.

Occasionally an inside administrator will detect, in time, the need for a new pattern and effect a change in course. This, however, is a chance happening; the structure does not favor it. Sometimes even when the key administrator, such as the president of a university, does detect the need for a new pattern, he is unable to move the institution. Just keeping it operating on the old pattern presses his leadership to the limit. In such a case the risk of change looms as a greater threat than the risk of failure, even though the old pattern is clearly destined for failure. Administrators, in the nature of things, are preoccupied with the immediate pressing issues of today, when the very real changes in preparation for the future must be made, if they are to be made prudently. The critical signals are those that tell one that action should be taken today in order to forestall impending trouble tomorrow. These are the signals calling for change *now* that the busy administrator may miss.

The trustee has a better chance than the administrator to be open to change. In fact, this is her or his role — to maintain openness to change, which his or her relative immunity from day-to-day operational pressures makes possible. Yet administrator and trustee are not sharply differentiated roles. In fact, they are a close mesh, in which the administrator should be mostly dogma and a little bit open to change; and the trustee should be a little bit dogma and mostly open to change. The two roles, closely linked and working in harmony, should take care of both today and tomorrow.

A second ambiguity is *the disability that goes with competence*. Ordinarily we think of competence as a linear "good" — out to infinity. Not so! A critical disability that goes with expanding competence is the inability (or unwillingness) to examine the assumptions by which one operates. In order to achieve great competence, an individual (or an institution) must put her or his head down, cut out the peripheral vision that might keep the assumptions always in view, and run! Very few people, as individuals or as parts of the operating mechanism of large institutions, can acquire a high level of specialized competence *and* keep a perspective on what is going on that tells them

how good that competence is — in social value or in an ultimate competitive sense.

This disability that goes with competence may seem an abstract concept until one deals with an institution in some crisis, large or small, that requires a shift of goals if it is to continue to prosper and to serve. The task of determining new goals is then clearly seen as an appropriate function of trustees, because only they are sufficiently inside to know, and yet far enough outside, free enough from operating involvement, to examine dispassionately the assumptions that now guide those who have high operating competence. Trustees can then help decide which assumptions are still valid and which should be modified or abandoned, and what new ones should be postulated.

Assumptions that guide operating competence are the major stuff of which goals are made, and trustees are best positioned to question, to originate, or to affirm these assumptions. They are not in a very good position to revise old goals or to set new ones, unless they have a full understanding of the problem of acting on the present goals.

A third ambiguity is the need for a healthy *tension between belief and criticism* as part of the dynamism that makes a high-performing institution. Operating officers and staffs need to be mostly *believing*. Trustees need to be mostly *critical*.

Administrators and staffs need to be mostly believing because the morale of those who do the work of the institution needs to be sustained, and part of the trust of all constituencies rests on a communicated belief in the rightness of what is being done.

Trustees need to be mostly critical because it is the scrutiny of a critical attitude that keeps administrators and staffs on a true course. Part of the basis for trust by all constituencies is an awareness that a critical watch is being kept. It is a sounder arrangement for the critical watch to be kept by those in whom ultimate power is vested, those who control the use of power by requiring a strict accountability for its use.

A critical watch, however, requires more than just a critical frame of mind. It requires that trustees have a level of information and advice sufficient to make their criticism penetrating and meaningful. Few trustees and directors, as their roles are now structured, can be critical in other than a remote consulting sense, and they usually have that only in

a narrow field of specialized competence which they bring from another situation. Also, their advice often bears the burden of unexamined assumptions because it is a judgment rooted in specialized competence rather than in the kind of explicitly developed trustee information that is relatively free from the disabilities of competence. Such judgment from competence which a trustee may bring from another situation is useful as a sort of secondary check. However, what is needed as a trustee's critical judgment cannot be built on this source alone, because doing so tends to lock all institutions into a common set of assumptions which may not be adequate for any one of them. This seems inevitable when trustee bodies are selected almost entirely for their competence in some other situation. They cannot be sufficiently critical, and they believe too much in the standard ways of doing things.

Administrators are mostly believing and a little bit critical, while trustees are mostly critical and a little bit believing. There is a subtle overlap between the two roles, yet they are more different than they are alike. The need for trustees to be preponderantly critical requires that they be in a complementary but different role. The next several sections describe such a role.

## BIGNESS — A NOTE ON THE IMPLICATIONS OF SIZE

The choice of large institutions as the focus of this essay was made because this has been my predominant experience. By working with a few small institutions I have learned that "small" and "large" are not different-sized copies of the same thing. They are qualitatively different. Those who are familiar with small institutions and who are concerned with the quality of their performance should address this as a separate problem.

Ours is a society that is dominated by large institutions, and some of the criticism of our institutions has been addressed to bigness, as such, as a cause of their failure to serve better and, in some instances, of their positive harm. This may be because a single institution that is big

and bad is more of a social problem than if it were small and bad. Bigness concentrates a conspicuous amount of power in a few hands. If that power is not used affirmatively to serve society well, or worse still, if it is negatively used to hurt, there is a tendency to blame bigness as the cause. On the other hand, if the power is dispersed through many small institutions, the service may be as poor and the hurt may be as great or greater, but there is no convenient single institution, nor a small cluster of them, to blame.

In a complicated, hard-to-manage society such as ours, when power is misused in large institutions to such a degree that government must respond to it, an action like "break up the big ones into small ones and insist on competition" is apt to be the remedy. If trustees and directors of these large institutions maintain their traditional nominal or honorary roles, there may be no feasible alternative to the use of this crude sanction which, in the end, may create more problems than it solves, because it does not have the effect of building quality. It reduces concentrations of power but it does not assure that many holders of dispersed power will do any better.

The coercive power of government is mostly useful to restrain. The building of voluntary institutions as instruments of quality comes more from the incremental actions of individuals as they serve and lead, and as they gather those complementary talents that give completeness to leadership of an institution. While the antitrust laws are addressed to business institutions, the problem and the opportunity of bigness is as great in the nonprofit field. However, the misuses of power in the latter have not as yet drawn much restraint from government — except in the case of foundations.

Foundations are an interesting illustration of the problem of bigness. They are more vulnerable to restraint by government because they are usually secondary institutions that do not directly serve a need. (They mostly give money to other nonprofit agencies that do serve a need.) Then, some legislators tend to regard foundations as disbursers of government money because, with much of foundation assets, if the money had not been put into a foundation treasury, it would have been paid in taxes. Also, because they do not render a direct service, foundations do not have a constituency — they have few friends. This the

foundations discovered when hearings were being held leading to the tax reform act of 1969.

Before the passage of the 1969 law, there had been long-suspected abuses of the foundation instrument — self-dealing and misappropriation by smaller foundations — but it was a few grants by large foundations in the 1960s which members of the Congress judged to be imprudent that brought the new, and very restrictive, foundation law. Judging by the congressional hearings, the law was at least in part an attack on the power of bigness as such. The new law does correct some abuses, but it is a crude and cumbersome law that injects a burdensome bureaucracy into foundation administration which inhibits the creative use of foundation funds — and one of the major criticisms made of foundations is that they tend to be uncreative.

The point of this reference is that there was a long period of warning that some members of Congress were concerned about the misuse of the foundation instrument. These warnings went directly to foundation trustees, through questionnaires addressed to them personally from congressional committees. There was ample opportunity for the trustees of large foundations, which were mostly free of the abuses complained of, to study the problem, to draft a workable law, to take it to the Congress, and to urge its passage. In their own self-interest they would have gotten a law that was easier to live with, and they would have served the country by getting the abuses corrected sooner, and perhaps better, than the law ultimately passed as a result of initiative generated almost wholly within Congress. I was a foundation trustee during some of the pre-1969 years and received these questionnaires. I was not aware that these were my alerting signals to respond creatively as a trustee. Needless to say, there was no suggestion anywhere that this was my role.

This example illustrates one of the recent conspicuous failures of trustees of large institutions, the failure to make an asset out of bigness. *In every field*, if trustees and directors of all large institutions were to accept the full implications of their roles, if they organized themselves to serve their institution so as to assure performance that is much closer to what is reasonable and possible with their available resources, human and material, and if they had staff support so that they would know what to do — *in every field*, the major voluntary institutions could fore-

see the need for governmental action, could take the initiative and research the problems, could draft the legislation and the rules, and could urge their adoption by government at all levels. The country would be better governed, and the institutions themselves would be stronger and would serve better.

This is a role for trustees and directors of major institutions. It is not reasonable to expect it from the governing boards of small institutions. Nor should it be expected of administrators of any institution, because they have a preoccupation with current operating details that makes it unlikely that they will take this long view of the part the institution should play in the total social structure. It is one of the opportunities of bigness that is best responded to by trustees. Everything that is big is vulnerable because it is conspicuous and because it is easier to regulate. Yet big institutions have the opportunity to assemble and to use, in a team relationship, exceptional specialized talents that are not as available to small institutions. Important in these talents is the foresight to determine when the regulating power of government should be sought, and to become the persuasive promulgators of effective regulations. This, it seems to me, calls for a new trustee role.

## A NEW TRUSTEE ROLE — HOW TO DO IT BETTER

### The Problem of Getting It Done

This essay was not written to help trustees do just a little better with their roles as now defined. The aim here is a substantially new institution, one that serves society much better, far ahead of anything that now exists or that is now dreamed of as possible.

Perhaps some competent, responsible people will say that, human nature being what it is, the recommendations here are too idealistic and therefore impossible. They should be reminded that we got where we are by doing the impossible, and future progress in the quality of our major institutions, which is both inevitable and imperative, will be by the same route!

Three major obstacles stand in the way of taking experimental steps to explore the course recommended here: first, most of the efforts to meet the rising social expectations are *largely coercive*, either through governmental edict, the fostering of countervailing forces, or pressure tactics.

Then, second, we are so wedded to the belief in one-man leadership, even in very large institutions, that many constituencies, including trustees, believe that only with luck in finding a "chief" with miraculous powers will the institution perform better.

A third obstacle grows out of the common assumptions about how things get done in large institutions. Under these assumptions, the administrators and staffs assume the total burden and trustees are kept in a subservient role, partly because it is the custom (and only a rare hard-nosed and determined trustee will challenge the custom), and partly because trustees do not know enough or devote enough time to do differently. As matters now stand, without some carefully taken steps that are guided by a new concept of how a large institution might be better governed, the inside professionals are not likely to welcome a more affirmative trustee role, or the intrusion of a new information source that is responsible directly to trustees and that penetrates the closely held data banks inside the institution.

These are substantial obstacles. Obstacles, however, are problems, and problems are things to be solved. The three mentioned are the kind of *ultimate* problems which only trustees have the ultimate power to solve.

### The Trustee Role — Initiating Rather than Reacting

The conventional trustee role may be described as a *reacting* role. In such a reacting role, trustees usually do not initiate or shape the character of the institution, nor do they see it as their role to examine the traditional administrative wisdom. If they are conscientious, and most of them are, they will do the following: try to install competent operating officers, support and encourage them, maintain some gross controls by requiring trustee approval on certain major actions, check such data as they have for evidences of serious malfeasance, and affirm, deny, or modify policy questions that are submitted to them. This may

be labeled fairly a *reacting* role. It is all right as far as it goes; but it no longer goes far enough.

What would be required to put the trustees in an *affirmative* role, so that, if they are capable and dedicated, by their action they can help an institution to function at its optimum?

The answer to this question is that trustees need a new view of man at his best in institutional roles. That view might be simply stated as: *No man or woman is complete; no one of them is to be entrusted with all. Completeness is to be found only in the complemental talents of several who relate as equals.* This flaunts one of the time-honored assumptions — almost an axiom — of administrative lore: "You cannot manage by committee! Delegation of authority must be made to an individual." What do we do about that?

We should take the same attitude toward this well-established axiom that modern mathematicians take toward Euclid's assumptions, which stood unchallenged for two thousand years and eventually got in the way of the progress of mathematical thinking. When they were identified as being in the way, some of Euclid's assumptions were reversed in order to produce mathematical thinking that could do things that were impossible under Euclid's assumptions. We are at a similar point regarding administration. We must reverse the assumption that operating delegations can be made only to individuals. We must reverse it because that assumption is standing in the way of the next big move from mediocre performance toward a much higher level that is reasonable and possible with available resources.

The new assumption is that delegation of authority from trustees to operating executives is best made to a team of several persons whose exceptional talents are complemental and who relate to one another as equals, under the leadership of a *primus inter pares* (as discussed in *The Institution as Servant*). There is a caution, however. It is also assumed that this is not a workable arrangement unless the trustees fully accept and operate under a definition of their roles as stated earlier in this essay. If trustees want to remain in their present nominal or honorary roles, then the advice here is to stay with the concept of the single chief and to accept the prevailing mediocre performance that goes with that arrangement. However, if trustees want the institution to break out of its mediocre performance and to sustain a new high level, then the view

of man as working best in teams with complemental talents is suggested. If trustees can accept that premise, then they should proceed to design a new role for themselves, and be prepared to invest the time required, the principal dimensions of which are as follows:

*Set the Goals: What business are we in and what are we trying to accomplish in it?* Profit-making business firms have some trouble with this question. Other institutions, such as churches, universities, philanthropies, and social agencies, have a great deal of trouble with it. The first thing an institution needs to do in order to start on a conspicuously higher course is to state clearly where it wants to go, whom it wants to serve, and how it expects those served directly, as well as society at large, to benefit from the service. Unless these are clearly understood, an institution cannot approach its optimum performance. Yet the internal administrators, left to themselves, usually hesitate to state goals so precisely.

*Performance Review* — Since the administration is involved in the performance of the institution, part of the data which trustees use for their overseeing role should come from a source that is independent of administration. In a later section the trustees' need for their own information source will be discussed in more detail.

*Executive Growth and Selection* — Every large institution that is to be optimal in its performance must produce leadership out of its own ranks. If it is to be exceptional, it should produce more leadership than it needs and thus export leadership to other institutions. It should import some leaders and other trained persons in order to check in-bredness and to keep the organization stimulated, not because it did not produce enough of its own. Growing people, releasing people for important work elsewhere, bringing able people from other experiences, should be a constant concern for any institution that wants to function at its optimum. However, some otherwise able administrators become so preoccupied with day-to-day performance that they sometimes neglect this vital organization-building work that needs constant attention. In the long run, this neglect can be a fatal flaw, regardless of short-run performance. Therefore, close overseeing of executive growth and selection is suggested as an explicit function for trustees.

*Organization of the Top Executive Office* — As noted in *The Institution as Servant*, the organization of the top administrative office

and the assignment of functions is not something that the members of that office can do well. They can do it for other parts of the institution, but not for themselves. They cannot be faulted as persons for this. Of course, left to themselves, they work it out somehow, but *optimal* institutional performance does not result. Because they are not administrators and therefore do not have this problem, trustees are in a position to have the objectivity and the perspective on the institution to work this out.

*A New Concept of Trust* — Everyone in the institution has a share in building trust. The administrators have the major responsibility for institutional performance that merits trust. However, if there is not enough trust (and the premise stated at the beginning of this essay is that in most institutions today there is *not* enough trust) and if the level of trust has been low enough long enough, then it must be assumed that internal administrators, as institutions are now structured, will not deliver an adequate amount of it. It is then the obligation of trustees to fulfill what their title implies and become initiating builders of trust. They should see this as their role. They will not supersede administration in doing this. Rather, they will become strengtheners of administrators in *their* trust-building roles.

Trustee acceptance of this view of their role will result in reconstructing trustee bodies substantially, and, if the transformation is successful, it will lead to a whole new era of institutional performance along with the enrichment of the career experience of those who administer and staff our major institutions. And trusteeship will become a much more rewarding experience.

### The Trustee Chairman

If trustees are to function well within this much broader definition of their role, they need a rather unusual person as their chairman. This new chairman will be just as different from the present ones as the affirming trustee is from the reacting type he will replace.

First and foremost, the trustee chairman will *not* be an officer of administration. In fact, his best career route may not be through administration at all. In large institutions, the chairman will probably be a full-time salaried person. He will be the professional leader of trustees who may be either full-time or part-time. In either case,

trustees would be paid adequately for what they do — enough to compensate them for carrying the exacting obligations as defined above.

The chairman, as leader of the trustees, should be selected by his colleagues for his dedication to optimal performance of the institution and for his ability to make the trustee role an exciting, creative, and very responsible endeavor, far more rewarding to the able trustee than the prevailing reactive role. The chairman, thus concerned, would be *primus inter pares*, not chief. He would be a first among equals and responsible to his peers, the trustees.

The first step for any trustee of a major institution who feels the obligation to move the institution much closer to its potential for service to society is to get a chairman who has the ability and the determination to *lead* it there, and who will devote a major portion of his time, if not full time, to that mission.

We cannot have better institutions unless we have better leadership in chairmen. This essay is written in full confidence that an ample supply of able and experienced people exists who can be trained as both chairmen and administrators, as the roles are defined here. Potentially, there may be many more able people than seem to be available for these two roles, as they now exist, because the two proposed roles make a better distribution of the burdens of leadership and provide for a healthier relationship.

But it cannot be assumed that every woman or man who is potentially capable of being an effective chairman knows how or will learn from experience alone. Therefore there needs to be a Chairman's Institute, a place where the art of chairmanship is researched and taught. Every new chairman should go to the institute for introductory training and should return periodically to keep the skills of chairing in good order and to learn more as knowledge of the art progresses.

### **The New Trustee Is Not a Super-administrator**

The roles of trustees (who manage) and of operating executives (who administer) were defined at the beginning of this essay as separate and distinct. Definitions, however, do not settle doubts, and one of the doubts about the new trustee role is expressed in the question, "How can the trustee perform this function without encroaching on what

administrators have to do to lead the institution to the expected achievement?"

The best answer to this question is that the trustee chairman is professionally trained as a chairman, just as the administrator is trained as an administrator. The chairman is not simply a former administrator who has been moved to the position of chairman without examination of his qualifications for it and without specific training in how the role is best performed. The requirements made of both trustees and administrators will be more exacting, as one would expect, if the performance of the institution is to rise.

Some basic principles will need to be explicitly accepted, such as that *no one, absolutely no one, is to be entrusted with the operational use of power without the close oversight of fully functioning trustees*. If an old-style administrator does not accept this, then clearly he will feel encroached upon. There will be a transition period. Some able administrators who cannot make such an adjustment but who are too valuable to lose may continue to operate in the old style. General Eisenhower faced this problem when he had to deal with General Patton after the latter had slapped and cursed a battle-fatigued soldier in a field hospital. It is implied in the report of the handling of this incident that General Eisenhower did not think that a man who did what General Patton had done should be commanding troops, but he just did not have another general who could cope as well with the major actions that lay immediately ahead. So, he left him in command.

In closing this reference, we should note that there are some able people who ought not to be trustees or administrators of major institutions either under the existing arrangement or under the one proposed here. One of the important advantages of the proposed new structure of relations is that it will more quickly and sharply expose those who should not be in institutional leadership at all — either as trustees or as administrators.

## INFORMATION: THE KEY TO RESTRUCTURING THE TRUSTEE ROLE

As modern institutions have evolved (and they are very recent) one of the possible reasons that trustees have failed to emerge in their appropriate roles is that they have not been properly informed. Because they are not (and should not be) insiders as administrators and staffs are, and because their role is different and they may invest only limited time, they cannot be informed as insiders are. They cannot receive all of the formal communications that administrators use, they do not participate in operating decisions, and they are not a part of the informal communication network. *And this is as it should be* because objectivity and noninvolvement are parts of the strength of the trustee role.

Some of the information that trustees need to know is the same as what inside administrators value. For example, both should have the same basic, summarized financial information and the findings of the independent audit. But most of their information needs are different because their roles are different. Administrators are usually adequately informed for their roles; trustees usually are not.

What do trustees need to know? They need to know what is required to carry the four major functions of trustees as defined earlier: (1) Set the goals and define the obligations, (2) appoint the top executive officers and design the top administrative structure, (3) assess the total performance of the institution, and (4) take appropriate action based upon what has been found in (3). In addition to these, there usually are certain areas specified in the by-laws for trustee action.

How is the content of this trustee knowledge to be determined? Who will secure it? And how is it best presented and utilized?

The content will be what trustees need to know in order to act, in the first instance, on matters with which they should be concerned. The recommendations of administrators and staffs usually will be a part of the information trustees will want to have. But trustees will need information in addition to what administrators and staffs give them so that they can make their own independent judgment, contrary to administrative advice if that is their considered judgment. The trustees may examine their information in meetings of the whole, or in subcommit-

tees. Trustees will decide the extent and nature of the information they require in each area where they will make the decision. It is important, however, that all information to trustees, whether directly from informed people from inside or outside the institution, or through presentations of studies and reports, be designed for the special needs of trustees and it should not be merely selections or abstracts from information prepared for the use of administrators and staffs.

Who will secure the information for trustees? One of the functions of the chairman (who is *not* an administrator and, in a large institution, is either full-time or part-time) is to see that trustees are properly informed. The chairman, or a staff person responsible to him, will oversee the informing of trustees, including the design and gathering of the data. Some of this may come from inside the institution, from the efforts of internal staff, and some may be from independent research firms or consultants who will be engaged by trustees and report directly to them. The direction of all of this will be by the chairman or his personal staff.

How shall trustee information be presented and utilized? By a minimum of written material and a maximum of oral-visual presentation to trustees as a group. The reason for this choice is that trustees are a deliberative body and information should be designed to give them what they need for the decisions they must make, to conserve their time, and to facilitate a group decision out of discussion.

In summary, what is wanted is a fresh analysis of trustee information needs and a design of presentations that are carefully tailored to facilitate the specific judgments and decisions that trustees will make.

Carefully and imaginatively designed trustee information will serve three ancillary purposes: (1) It will provide a constant influence to focus attention on clearly designated trustee functions and help prevent involvement with administrative matters. (2) It will provide a structure of knowledge about the function of trustees that will make possible explicit training for the trustee role. (3) It will help make service as a trustee a rewarding involvement for the kind of people who should be trustees and it will justify a greater time investment than trustees normally make. Furthermore, it will facilitate recruiting the right people as trustees.

Providing information to trustees on the basis suggested here is

both difficult and expensive. And it clearly signals a new *initiating* role for trustees as contrasted with the usual *reacting* role in which trustees are *nominal*. If the transition is to be made in a constructive way with a minimum of loss of vital force and a maximum gain in institutional strength, all constituencies, particularly internal officers and staffs, will need to *want* trustees to perform so that *trustee judgments* will stand on a par with all other judgments by or about the institution. The following section deals with this question.

## TRUSTEE JUDGMENT

Although trustees may not have professional or administrative expertise in the particular institution, theirs is not a *lay* judgment. It is a unique thing, a *trustee judgment*, and it stands on a par in importance with any other judgment within the institution.

This is a difficult concept for inside administrators and professionals to accept. The medical staff of a hospital may ask, how can trustee judgment be equated with a medical staff judgment *in a hospital?* The answer is that both hospitals and the medical profession are in deep trouble because doctors have not admitted the parity of trustee judgment with their own (the crisis in malpractice insurance is a case in point). Until very recently doctors were individual practitioners working alone in their offices and in the homes of their patients. When medical practice evolved to the point where it was deeply enmeshed in *institutions* (hospitals, clinics, research centers, insurance companies), the parity of trustee judgments should have been acknowledged — but it wasn't; hence the problem.

Universities and colleges where faculties have been equally reluctant to accept the parity of trustee judgment are rapidly heading for a different kind of crisis. Mark Hopkins on the end of his log probably did not need trustees. But institutionalized education *does* need them, and their judgments need to be respected.

How, the troubled professional may ask, could we be expected to

accept a parity of trustee judgment *with the kind of trustees we have?* That would be folly! Granted. But, I would answer, you were unrealistic in assuming that your professional work could be institutionalized *without* a parity of trustee judgment. You should have insisted on effective trustees, and you ought to insist upon them now — for the good of your work and for your own self-protection. An institution, especially a large one, is not a safe arrangement for any service or for any involved person without effective trustees who can contribute a quality of judgment that no administrative or professional group can generate wholly with its own resources.

*What is trustee judgment?* It is a meld of the following unique aspects of the role of trustee: (1) trustees have the perspective of detachment that no insider can have; (2) they have their own information source that equips them for their special functions; they are free from the pressures and minutia of day-to-day operations so that they can take an overview as well as project the future; (3) trustees do not have a career stake in the institution — their motivation can be less self-centered; (4) effective trustees stand as symbols of trust; therefore they can provide a shelter of legitimacy in a way that deeply committed insiders cannot; (5) because trustees are not colleagues who may have contending interests, they can function creatively as a group on issues that internal constituencies may not be able to resolve; (6) trustees are better able to have a sense of history, past-present-future, and therefore are better able to hold the institution's vision and keep it steady, and they may better see the path to survival and long service; (7) trustees can keep the concept of ultimate purpose in sharp focus and hold it up as a guide at times when the insiders are hard pressed to stay afloat from day to day.

If trustees are well selected and well led by their chairman, and if they devote enough time to exploit all of these unique aspects of their role, their judgments merit respect on a par with the best that the rest of the institution can produce.

Consider the following example of what I believe is a major trustee failure of our times.

When the historians of some future age try to sort out the artifacts of our present times, one of the questions they may ask is, how could we have supported the vast aggregate of society-building institutions — churches, schools, foundations — and allowed them so studiously to

avoid the one service that would have assured a great and long durable future for our particular civilization, i.e., *preparing those of the young who are capable of it for responsible roles as servants?* I have been around enough among churches, schools, and foundations to be convinced that there is a lack of willingness to rise to the opportunity. It is neither expensive nor difficult to do, preparing the young for responsible roles as servants. But it is not now the focus of much explicit effort. It is assumed to be one of those things that is implicit, it is just supposed to happen. And we have charmed ourselves into believing that it is being done. *It is not being done!* (The fifth essay in this series, *The Servant as a Person* — now in preparation, will give my best thinking on how this might be done.)

We might make it easy for that future historian and write down a possible answer to his anticipated question and leave it where he will find it. The reason for this gross failure, I believe, is that this is one of those crucial issues on which a respected trustee judgment is absolutely required — and it has not been forthcoming.

Administrators and professionals, left almost wholly on their own without effective trustees (as most of them now are), may fail to take that one step on which sheer survival of the institution depends. They get hung up on a fantasy that it is taken care of. And only the vigilance of strong, effective trustees has the chance to catch this fault when it happens and demand that action be taken.

Trustee judgment is the last line of defense, within the institution, against what are sometimes colossal errors in judgment, and failure to set adequate goals, by the best professionals and administrators. The failure explicitly to prepare future bearers of responsible roles *as servants* is such an error by administrators and staffs of churches, schools, and foundations in our times.

The trustee who has good trustee judgment, and who wants to gain ground in building a better institution, will know that three decisions need to be made about any action that, in the test of time, turns out well: (1) There is a good idea; (2) good people are committed to carrying it out; and (3) authority is placed at their disposal.

A good trustee judgment, one that stands on a par with all other judgments and is respected by all other constituents, is a blend of good

judgments on all three of these elements. An error on any one of them will doom the action to failure. Only trustees are in a position to make a good judgment and to set the policies to guide others in making such judgments on *any one* of these elements. Trustees do not have all of the answers, but they can best utilize what data there is in making some crucial judgments and in establishing policies to guide others' judgments.

## A PEDAGOGY OF TRUSTEESHIP

What trustees should be and do is not yet obvious in the culture. Therefore trusteeship is a social role that needs to be explicitly conceptualized by each trustee group. Further, conscientious trustees will accept (1) that it is not sufficient just to understand their role, (2) that how they should carry that role will not necessarily evolve out of experience, and (3) that the trustee role needs to be consciously learned by each board. Also, some means for assuring sustained high performance is important for trustees, just as it is for everybody else.

Trust begins with good motives. But competence, and a way of sustaining competence, needs to be added to good motives.

If trustees posit a role for themselves that will enable them to be influential in raising the performance of the total institution to the optimal (and I have tried to describe such a role in this essay), they confront a difficult problem: how to carry that role *as a group*. It is one thing to carry a trustee role as an individual. It is quite another to function effectively as a part of a group process.

If very much of what is advocated in this essay is accepted, then a trustee board will do well to search for a *coach* who will help them learn an appropriate process so that they will become an effective collegial group whose judgment deserves to be respected as superior wisdom in matters which trustees should consider and decide. Since no group will ever achieve this fully, the coaching process will be continuous.

Engaging a coach to help trustees to operate by a process that favors

their optimal performance serves to acknowledge that a conscious learning process is accepted, that trustee performance will always fall short of perfection, but that the full obligation of trust calls for a constant striving for perfection.

Where does one find such a coach and how does he do his work?

If the trustees acknowledge that they need and want a coach, they can find one. The Yellow Pages do not list such coaches, and they probably never will. Each trustee body has the opportunity to evolve its own coach. This is part of the creative challenge of being a trustee. And part of the excitement of being a trustee is interacting with a coach.

Trustees in search of a coach are advised not to seek among those who profess credentials in group process. This is not said to denigrate the expertise of such persons. It is simply that if the search begins among the "group process" people, the risk is too great that an uncongenial ideology will be imposed. Rather, I suggest that the search be made among those able people known to the trustees who would be accepted among them as a peer, but whose best contribution would be as a coach rather than as a trustee. Such a person's contribution might be greater, in the end, than that of any single trustee.

Trustees will accept strategic and tactical leadership from their chairman. They will accept conceptual leadership from their coach. They will expect from the coach a close monitoring of the *process* of their deliberations but abstention from the value weighing that precedes consensus.

The coach might best be selected, as I have said, from among those who are not established as specialists in group process. But when the role of coach is understood, she or he might then learn what is useful to the new role from specialists in group process.

The primary aim of the coach is to facilitate consensus — achieving one mind. The effective trustee group is not merely one that hears all of the arguments and then votes. Rather, it reaches a consensus — a group judgment that will be accepted as superior wisdom. Without the acceptance of all constituencies that trustee judgment is superior wisdom there is little leadership possible for trustees. Part of the acceptance of trustee judgment as superior wisdom rests upon a consistent group process that is carefully monitored by a coach.

There is very little sustained performance at the level of excellence — of any kind, anywhere — without continuous coaching. Since trustees have the obligation to monitor the performance of the institution, and since trustees are the court of last resort, trustees who want to do the best they can will provide for the monitoring of their own work. *And this is how they will learn.*

## THE TRUSTEED SOCIETY — A POSSIBILITY

I do not see the possibility, in the foreseeable future, of a golden age in which the nobler motives of humans will emerge as universal. Nor am I sure that I would want to live in such a society if it happened. But I do foresee, and hope for, the possibility that large numbers of trustees will emerge who live up to the possibility for trust that is inherent in their positions, a standard that is now generally missed by a wide margin.

Trustees can become the persons who are trusted partly because they are seen as being unusually sensitive to the corrupting influences of power and who are an effective bulwark against the abuses of power that are so common today. They would be the people, among all others, who would insist that power be used to serve and not to hurt.

Trustees, then, quite apart from their governing role in the specific institutions they oversee, would, as individual citizens, become a conspicuous leaven in a society that is much too disposed to violence and in which a crippling low level of trust prevails. Where trust is required, they would be the first ones turned to because they are the ones most likely to be trusted — trusted to serve and not to hurt.

As matters now stand, when an issue of importance needs the help of a commission, either ad hoc or long term, the usual resource is to turn to status people: administrators, active or retired, lawyers, office holders. And these, too often, are not seen as having credibility as persons to be trusted. They are not necessarily untrustworthy; and they may be wise, judicious, experienced, dependable. But they are not

conspicuously identified in the public mind with *trust*, because they have not carried a role that would justify that view. They are more likely to be seen as persons who are skilled in the operational use of power — able, but not to be trusted except as they function under the close oversight of trustees who are established as servants. Yet they are all we have because *the trustee as servant* has not evolved as a distinctly recognizable role in sufficient numbers to constitute the leaven of which such persons are capable.

As a nation (perhaps as a world society) we stand in dire need of some new visions of our future course. The nuclear sword of Damocles hangs over our head, crime is rampant, too many of the young are alienated, the economy is not functioning well and seems not able to right itself, the environment is in danger — the list is long and ominous. But perhaps the greatest threat is that we lack the *mechanism of consensus*, a way of making up our collective minds. And, with an unprecedented social structure that has rather quickly become overpoweringly vast and complicated, there is no way for the body politic to arrive at the necessary decisions on a representative basis. The necessary consensus is likely to emerge *only* if some persons who know enough are *trusted* to find some ways to go. Most of us will then follow their lead — because they are trusted. I know of no other way that we might get together for our mutual good.

For ours to become a *trusteed* society in the sense I have outlined it, as contrasted to a manipulated one, which is mostly what we now have, the large number of trustee positions in all of our voluntary institutions should be consciously used, not only to build serving institutions, which is their primary function, but to constitute a leaven of trust in society at large, a unique resource in the public decision process.

It is no small order. But what is there to lose by trying?

And what is to be gained by trying? What is to be gained is that the trustees can add the precious element of caring; a collegial group that is within the institution but that stands apart from the operation and *cares*.

## HAVING POWER; HAVING AN IDEA; HAVING THE PEOPLE — AND CARING

Earlier I noted that Mr. J. P. Morgan (the elder, who died in 1913) may have been the first trustee, in a major way and in the modern sense. He had power, great power; nobody like him is around today in the nongovernmental sector. He had an idea, a concept of what an institution might become — way ahead of his time, and the times have not yet caught up with his thinking. He knew that strong people were required to build the institutions he wanted — and he knew who they were among his contemporaries. *And he cared.* Great institutions were important to him. Evidently he cherished them deeply.

If he were among us today, and if he were like he was in his prime, he would not be judged acceptable — because of his style of living, his ruthlessness, his disdain for government, and his failure to foresee the ultimate consequences of his kind of one-man power. But, in the context of his times, he was a great trustee.

In saying this I am not speaking abstractly. I spent thirty-eight years in one of the businesses that was a result of his genius for caring. I entered it straight from college thirteen years after Mr. Morgan had died and six years after the death of the great institution builder he had installed as its head early in this century. But most of the organization that had built the modern business was still intact and I had a chance to know some of the builders and talk with them about how the remarkable transformation of this business had come about.

I was a naive youngster from a small town and a small college and I came to this experience with nothing but a few words of advice from an old professor of sociology to the effect that there is a growing "people" problem in all American institutions and some of us should get inside and work on it. From the outside I could criticize as he did; but I could do something about it only from the inside. Nearly fifty years elapsed before I came to the understanding of that advice that I now have. For more than forty years I attributed the remarkable institution I worked for to the effort of the great builder whom Mr. Morgan installed as its head. It was only recently that I acquired the perspective to see that, crucial as the influence of this builder was, he was the secondary cause.

The primary source was Mr. Morgan, who met the four tests outlined above. If the man who built it had not been available, Mr. Morgan would have found somebody who could — and would. And this view came into the business almost as a motto. As people were assigned to tackle large new goals to deal with the colossal problems that beset this business when Mr. Morgan took it over, with the assignments went the judgment — sometimes expressed, sometimes implied, but always understood: "If you can't do it, I will find somebody who will!"

I can hear the protesting contemporary trustee, "If I had Mr. Morgan's kind of power, I could build a great institution too." To which I would reply, "Ah, but *would* you? Plenty who have had Mr. Morgan's kind of power did not do it, and you do not use the power you now have to that end. What makes you think you would do more if you had more power?" Mr. Morgan's power was important to his achievement, but what made the result exceptional was that *he cared, he cared for the quality of the institution.*

And a second protest might be, "But I really don't have a great idea for the institution of which I am trustee. And I don't know where the great builders are even if I had the idea." And to that I would reply, "If you cared enough, you would find the idea and the people." Some power is essential. And to do what only a trustee can do you have to get to be a trustee. But most important of all is *caring*. Most trustees I know just don't care enough. If trustees really cared, ideas and people would blossom all over the place. *I know.* I have worked inside institutions, several of them, where trustees did not care. I entered the business that Mr. Morgan built after its trustees had ceased to care; but the momentum of his influence, plus that of the great builder he installed, was still strong. To be sure, I and others like me could do something, but nothing like what we could have done if the trustees had really cared.

Also, I know because I have been a trustee in several situations where *I* did not care — not enough. And I am keenly aware of what unrewarding experiences those were — for *me* as an ineffective trustee.

What does it mean, *now*, to care for an institution — whether it be business, church, school, philanthropy? What quality of caring is required in the late twentieth century?

Having power (and every trustee has some power) one *initiates* the means whereby power is used to serve and not to hurt. *Serve* is used in the sense that anyone touched by the institution or its work becomes, because of that influence, healthier, wiser, freer, more autonomous, more likely themselves to become servants. Any institution that does not strive with all of its resources, human and material, to achieve the reasonable and the possible in these dimensions is not being adequately cared for by its trustees. That, I believe, is what the times we live in require.

What shall one do, as a trustee who is aware of this necessity, if one finds that one cannot persuade one's fellow trustees to accept such an obligation, and if one does not foresee the possibility of doing so in a reasonable period?

*My advice is to resign.* One may do so with a public statement (as Mr. Arthur Goldberg did when he resigned from Trans World Airlines board a few years ago). This action had a salutary effect and raised the public consciousness about trusteeship. Or one may share one's reasoning with fellow trustees but make no public statement. Or one may simply go away quietly as I have done when I really had not thought through why I was leaving; I only knew I should not be there.

This advice is arguable. What if all conscientious trustees withdrew and left the control of our institutions in the hands of the casual and the indifferent? Two answers to that: (1) Most boards are so nominal that it wouldn't make much difference. (2) The situation would be more honest, and therefore better. But beyond that, the shock treatment of a major exodus of conscientious trustees may be needed to bring any significant change. I believe that I see the start of this now. And I encourage it. It is part of the basis of my hope for the future.

## INTRINSIC MOTIVATION OF TRUSTEES

Where are the people to do this — chairman, trustees, and their staffs? This is the most insistent question asked by people who accept the assumptions made in this essay about the state of society and its major voluntary institutions. Are there such women and men who are prepared to venture as *the new trustees* if they can see a reasonable course to follow?

They are rarer than they should be because of the failure of our society-nurturing institutions — churches, schools, foundations — to prepare them explicitly for this as an immediate prospect. We can only hope that enough people are willing to venture without adequate preparation so that a regenerative movement can begin. If all that happens is that trustees of churches, schools, and foundations begin to use their influence to start some action to prepare such people for the future, there is a chance that, within a generation, the insistent question *where are the people to do this?* might not need to be asked.

In the fourth pamphlet of this series, *Advices to Servants*, I have offered nine communications to four categories of institutions: businesses, universities, foundations, and churches. These draw on my own recent experience and they are as explicit as I now know how to be on how trustees in these four categories of institutions can begin to move toward a role in which they can function affirmatively rather than reactively.

If we grant the failure of our society-nurturing institutions to prepare people for these more exacting trustee roles, then we have only the hope that there are enough people who are, or who might have the chance to be, trustees who have intrinsic motivation to do better and are restless with their present inadequacies.

My hope for the future (and I do have hope despite the critical nature of this essay) lies in my belief that there are many actual or potential trustees with such a motivation and who might be roused into action by a realization of the great institution-building opportunity that is before them. I believe further that the meager light on the path ahead that is being shed by a few of us who are trying to generate it, is sufficient for the venturesome to start to move — and the venturesome are

all that can be counted on at this stage. Most may wait until the path is clearly marked and well lighted. But the venturesome may start to move now. Some would move if just a few of those who profess a concern for the present state of our institutions would focus some of their energy on *trusteeship* and help create a climate of opinion that would encourage trustees to accept a greater sense of obligation and to rise to a much larger opportunity.

Then, where are the administrators and staffs who will operate the optimal institutions under the leadership of able trustees who function as advocated here? They seem just as rare as the serving trustees if one judges by their responses to these suggestions. "If my trustees want to operate that way, they can find themselves a new chief executive" is a commonly heard comment. Realization of these attitudes is enough to discourage even the venturesome trustees who wish to be servants.

Despite such discouragements, I am hopeful that some trustees will venture. My hope rests on attitudes common among the younger generation executives who are aware of the serious limitations in the conventional wisdom of administration (as discussed in *The Institution as Servant*). Some of these younger executives are more sensitive to the corrupting influence of power than are their elders. While they realize that some power must be used, they prefer to work in a close colleague relationship, with a team of equals led by a *primus inter pares*, rather than to hold so much power in their own hands. They are more disposed to share the burden and they will welcome the close monitoring of the use of power by able and fully functioning trustees.

We live amidst a revolution of values, some good, some bad (when viewed from the perspective of one of the older generation). And one of the good consequences, in my judgment, is a greater disposition of able people, especially among the young, to work in teams rather than to strive to be *prima donnas* — not so much for idealistic reasons as because the word is getting around that it makes a more serene and fulfilled life. We may be witnessing the end of individualism as the predominant mores (although there may still be some power-hungry people around to add spice to the brew). For the trustee who is disposed to be venturesome as servant, one of the possibilities to be counted on in many of the able older executives is the desire, when their time comes, to lay down their spears with colors flying rather than to leave with the

mark "obsolete" indelibly stamped on their backs. And any who wish to avoid that opprobrious state are well advised, while they still stand erect, to learn from those of their younger colleagues who may hold the keys to the future. I know a few of my generation who have had the humility (and the good sense) to learn from those of the young who are with the future. Theirs is an enviable old age.

*Trustees as servants* face one of the most exciting challenges of our times: to lead our moribund institutions, and some of the seemingly moribund people in them, into a future of greatness.

The greatest sin of man is to forget that he is a prince — that he has royal power. All worlds are in need of exaltation, and everyone is charged to lift what is low, to unite what lies apart, to advance what is left behind. It is as if all worlds . . . are full of expectancy, of sacred goals to be reached, so that consummation can come to pass. And man is called upon to bring about the climax slowly but decisively.

—ABRAHAM JOSHUA HESCHEL

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